

## VII. STANDING COMMITTEES

## B. Finance, Audit and Facilities Committee

2012–13 Residence Hall, Single Student Apartment and Family Housing Rate and Dining Plan AdjustmentsRECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve the proposed 2012–13 room/apartment and dining rates for the residence halls, single student apartments and Family Housing, collectively termed the Housing and Dining System (System), making the proposed rates effective July 1, 2012.

The proposed residence hall room and dining rates for 2012–13 represent a net increase of 4.1 percent (\$303), from \$7,350 in 2011–12 to \$7,653 in 2012–13, for first-year students with the most common room type and minimum required dining plan (a traditional double room\* with the Level 1 dining plan). For students returning to on-campus housing for 2012–13, the proposed rates represent a 4.2 percent (\$303) increase, from \$7,215 in 2011–12 to \$7,518 in 2012–13 considering the most common room type and minimum required dining plan (a traditional double room with the Level RR dining plan). The proposed rates for a standard double room compare favorably with the same room type at other higher education institutions, which were surveyed in February 2012 (attachment 1).

*\*A traditional double room is defined as a double-occupancy bedroom with access to a bathroom shared with hall-mates.*

BACKGROUND**1. Room Rates**

The proposed room rates reflect an increase of 5.5 percent for residence halls and most single student apartments, 3.3 percent in four-person apartments in Cedar Apartments and 3 percent for Family Housing. For the residence halls, the rate for a traditional double room represents an increase of \$276 for the academic year (attachment 2). For the single student apartment academic year contract, the increase is \$357; for single student apartments on a month-to-month lease for 11.5 months, the increase ranges from \$32-56 per month depending on unit size (attachment 3). For Family Housing, the increase ranges from \$22–28 per month depending on unit size and location (attachment 4). A breakdown of the expense increases are shown below along with further detail of the line items in sections A and B.

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2012–13 Residence Hall, Single Student Apartment and Family Housing Rate and Dining Plan Adjustments (continued, p. 2)

	<u>Residence Halls</u>	<u>Single Student Apartments</u>	<u>Family Housing</u>
A1. Operational Increases	1.8%	1.8%	2.5%
A2. Utilities—Telecom, Power, Waste, Water	1.7%	1.7%	.5%
B. Housing Master Plan ( <i>approved March 2008</i> )	<u>2%</u>	<u>2%</u>	<u>0%</u>
<b>Total Room Rate Increase</b>	<b>5.5%</b>	<b>5.5%</b>	<b>3%</b>

The practice of maintaining Family Housing rates below those of the private market is reflected in this recommendation (attachment 4).

*A1 and A2. Operational Increases and Utilities*

The Department of Housing & Food Services (HFS) anticipates a 3 percent increase in normal operating expenses during fiscal year 2012–13. This anticipated increase is higher than the projected 1.6 percent increase given in the Seattle Consumer Price Index for 2012 (*Washington Economic and Revenue Forecast*, November 2010, Office of the Forecast Council), for the reasons cited below.

Compensation requirements including mandated step increases for contract classified staff, minimum wage increases, staff organizational changes, estimated benefit load changes, and room and dining compensation changes are covered in this proposal. Minimal increases have been included for contractual increases in supplies and services.

The portion of the rate increase associated with telecommunications, electricity, water and waste was based on utility forecasts from University of Washington Information Technology (UW-IT), UW Power Plant, UW Recycling and Solid Waste, and the City of Seattle, which range from 0 percent to 15 percent depending on the utility. Utilities account for approximately 23 percent of the housing budget.

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#### 2012–13 Residence Hall, Single Student Apartment and Family Housing Rate and Dining Plan Adjustments (continued, p. 3)

##### *B. Housing Master Plan*

In March 2008, the Regents approved an annual 2 percent increase for the Housing Master Plan. The 2 percent increase in rates reflects the annual rate increase needed to sustain the new debt load to be incurred in developing new student housing. The 2 percent increase will be reviewed in later phases of the Housing Master Plan and will be discontinued when rates are sufficient to maintain minimum debt service coverage and operating reserve requirements.

Two new residence halls, Elm and Alder, will open with the same rates as 2012–13 Poplar Hall.

#### **2. Dining Rates**

HFS is proposing a 1.2 percent increase in all dining levels (attachment 5). This increase covers compensation requirements as noted above in sections 1.A1 and 1.A2.

#### **3. Reserve Requirements and Debt Service Coverage Ratios**

The recommended rates will allow the System to remain financially stable and meet its external bond covenant obligations. Under provisions of the bond resolution, the System must maintain a ratio of net revenues to annual debt service of at least 1.25:1. Based on the proposed rate schedules and anticipated expenditures, coverage for the System for 2012–13 would exceed this threshold.

The recommended rates increase System reserve balances to meet minimum requirements under existing external bond covenants and ILP financing agreements. The System is forecast to achieve a fund balance of \$20.3 million on June 30, 2013, including a total reserve requirement of approximately \$13.9 million. The budget supported by the proposed rates allows HFS to achieve this fund balance.

#### **4. Consultation with Students**

On January 30, 2012, the operating budget and the need for adjustments to housing and dining rates were discussed with the budget subcommittee of the Residence Hall Student Association (RHSA). On February 1, 2012, the housing and dining rates were discussed with the RHSA General Council including representatives from residence halls and single student apartments. Letters

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#### 2012–13 Residence Hall, Single Student Apartment and Family Housing Rate and Dining Plan Adjustments (continued, p. 4)

detailing the rate proposal were sent to all residence hall and single student apartment residents on February 1, 2012.

On February 1, 2012, letters were sent to all Family Housing apartment residents informing them of the proposed rates and inviting them to community meetings on February 8, 2012.

On February 6, 2012, the proposal was discussed at Hall Council and single student apartment meetings with HFS staff available to answer questions.

On February 8, 2012, a community meeting was held at Blakeley Village for all residents of Family Housing.

#### REVIEWS AND APPROVALS

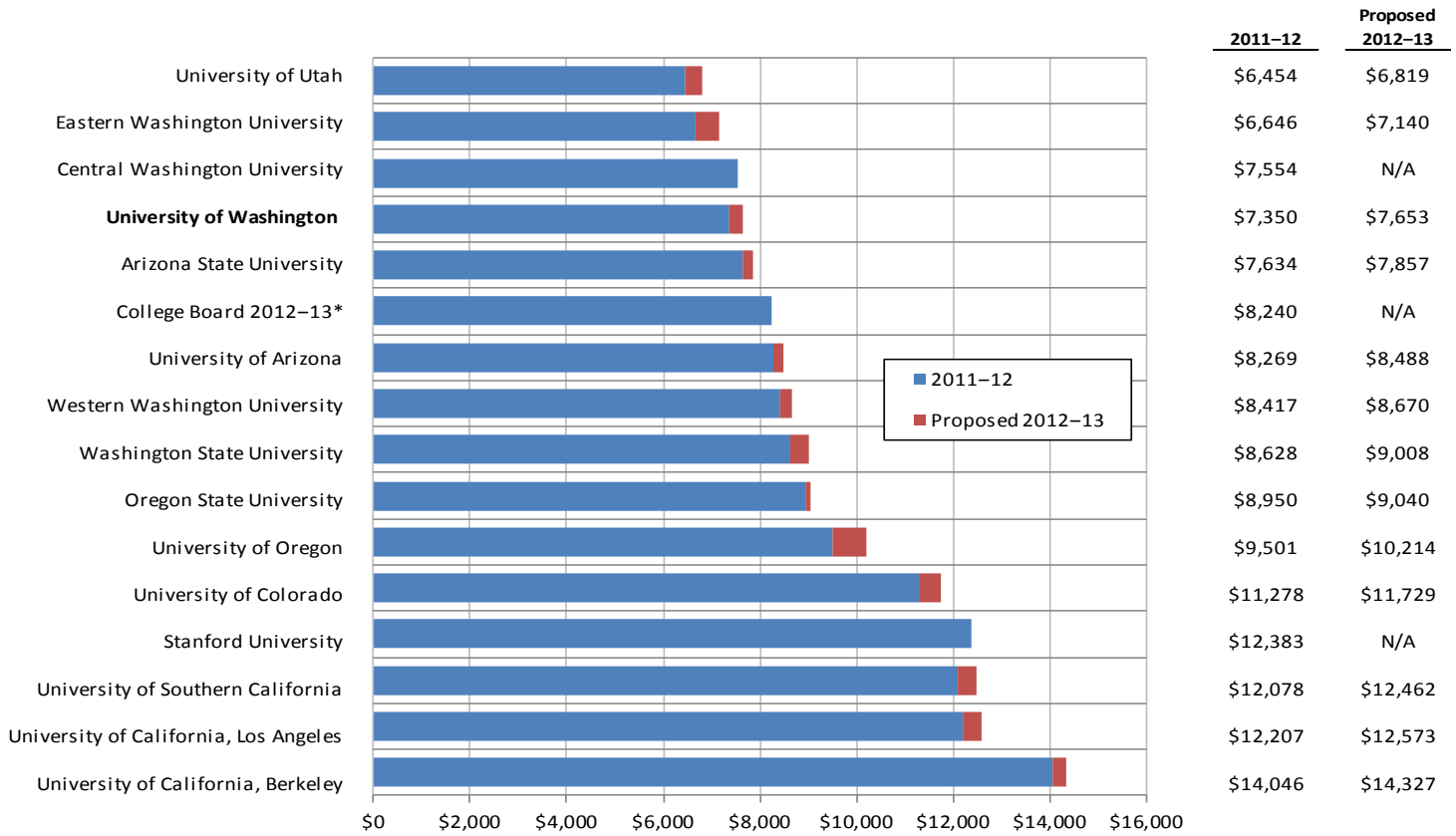
On February 8, 2012, RHSA voted to endorse the rate proposal. These proposed adjustments have also been discussed with the presidents of the UW Graduate and Professional Student Senate and the Associated Students of the UW as well as the Student Regent. The Vice President and Vice Provost for Student Life has reviewed and approved this recommendation.

#### *Attachments*

1. Room and Dining Rates of Comparable Universities
2. Proposed 2012–13 Residence Hall Academic Year Rates
3. Proposed 2012–13 Single Student Apartment Monthly Rental Rates
4. Proposed 2012–13 Family Housing Apartment Monthly Rental Rates
5. Proposed 2012–13 Academic Year Dining Rates

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**ROOM AND DINING RATES OF COMPARABLE UNIVERSITIES  
PAC-12 AND WASHINGTON PEER UNIVERSITIES**



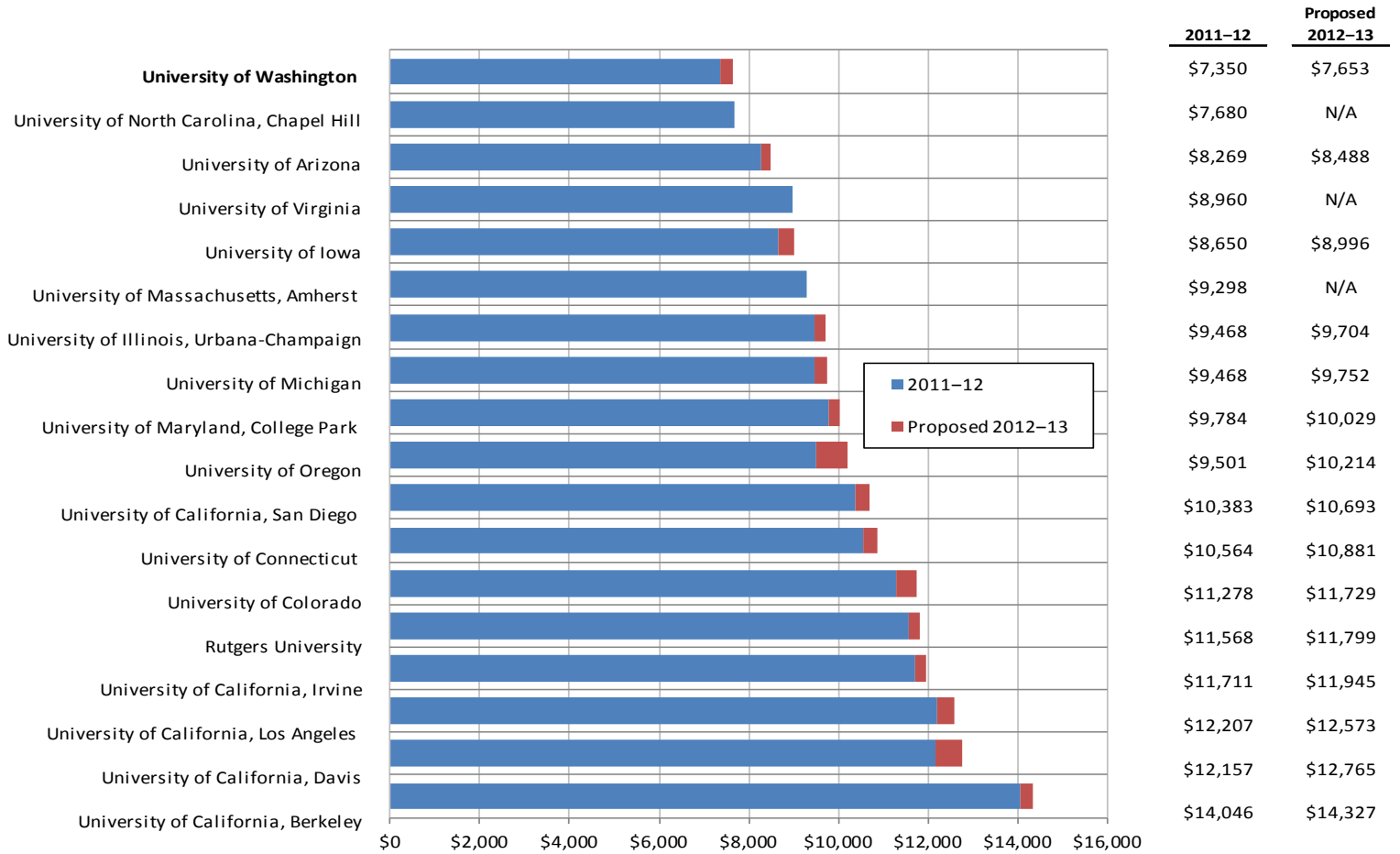
For comparative purposes, room costs for the schools named above are shown at the double room rate. Board plans vary depending on the types of programs offered. The board costs shown above reflect fixed meal plans ranging from approximately 9-16 meals per week (or an equivalent level on a point system) unless a higher minimum meal plan is required. The amount of board included for new residents at the University of Washington is the Level 1 Dining Plan (\$2,337 for 2012-13).

\* Trends in College Pricing 2012, College Board

N/A: Not available at time of survey.

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**ROOM AND DINING RATES OF COMPARABLE UNIVERSITIES  
OFM AND GLOBAL CHALLENGE UNIVERSITIES**



For comparative purposes, room costs for the schools named above are shown at the double room rate. Board plans vary depending on the types of programs offered. The board costs shown above reflect fixed meal plans ranging from approximately 9–16 meals per week (or an equivalent level on a point system) unless a higher minimum meal plan is required. The amount of board included for new residents at the University of Washington is the Level 1 Dining Plan (\$2,337 for 2012–13).

N/A: Not available at time of survey.

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**PROPOSED 2012–13 RESIDENCE HALL ACADEMIC YEAR RATES  
INCLUDING DINING ALTERNATIVES**

	<u>Room Type<sup>1</sup></u>			
	<u>Triple<sup>2</sup></u>	<u>Double</u>	<u>Single</u>	<u>Double w/ Private Bath</u>
Academic Year Room Rate	\$4,260	\$5,316	\$6,534	\$7,992
Husky Card Deposit <sup>3</sup>	105	105	105	105
Level RR Dining Deposit	2,202	2,202	2,202	2,202
Total Room, Husky Card and Level RR Dining Deposit	6,567	7,623	8,841	10,299
Level 1 Dining Deposit	2,337	2,337	2,337	2,337
Total Room, Husky Card and Level 1 Dining Deposit	6,702	7,758	8,976	10,434
Level 2 Dining Deposit	2,670	2,670	2,670	2,670
Total Room, Husky Card and Level 2 Dining Deposit	7,035	8,091	9,309	10,767
Level 3 Dining Deposit	3,006	3,006	3,006	3,006
Total Room, Husky Card and Level 3 Dining Deposit	7,371	8,427	9,645	11,103
Level 4 Dining Deposit	3,339	3,339	3,339	3,339
Total Room, Husky Card and Level 4 Dining Deposit	7,704	8,760	9,978	11,436
Level 5 Dining Deposit	4,008	4,008	4,008	4,008
Total Room, Husky Card and Level 5 Dining Deposit	8,373	9,429	10,647	12,105
Level 6 Dining Deposit	5,373	5,373	5,373	5,373
Total Room, Husky Card and Level 6 Dining Deposit	9,738	10,794	12,012	13,470

<sup>1</sup> Over 90 percent of residence hall rooms are included in these room types. Limited other room types are available, such as super singles and apartment space converted for use in the residence hall system.

<sup>2</sup> A triple is a room built to accommodate two residents but has been retrofitted to accommodate a third resident.

<sup>3</sup> A \$105 Husky Card deposit is required of all residents and is refundable if not used.

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**PROPOSED 2012–13 SINGLE STUDENT APARTMENT  
MONTHLY RENTAL RATES**

<u>Unit</u>	<u>Contract Period</u>	<u>Current Rate</u>	<u>Proposed 2012–13 Rate</u>
Stevens Court A–D Four & Six Bedroom	Academic Year	\$6,492	\$6,849
Stevens Court J & M Four & Six Bedroom	Month to Month	738	778
Cedar Apartments			
Studio	11.5 Months	1,011	1,067
Two Bedroom	11.5 Months	979	1,032
Four Bedroom	11.5 Months	979	1,011

ATTACHMENT 3



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**PROPOSED 2012–13 FAMILY HOUSING APARTMENT  
MONTHLY RENTAL RATES**

<u>Unit</u>	<u>Current Rate</u>	<u>Proposed 2012–13 Rate</u>	<u>2011 Private Market Rent<sup>1</sup></u>	<u>Percentage Below Market</u>
Laurel/Blakeley Village				
Two Bedroom	\$861	\$887	\$1,397	37%
Three Bedroom	948	976	No identical product	45% below 3 Br/1+ Bath
Stevens Court J & M				
One Bedroom	831	856	1,185	28%
Small One Bedroom	745	767	No identical product	18% below Studio

<sup>1</sup> Source for private market rent: *Apartment Insights Washington*, fourth quarter, 2011. Average rents for Capitol Hill and University District/North Area.

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**PROPOSED 2012–13 ACADEMIC YEAR DINING RATES**

<b>Residential Dining Plan</b>	<b>2011–12 Cost</b>	<b>Proposed 2012–13 Cost</b>	<b>Annual Increase</b>	<b>2012–13 Value</b>	<b>Plan Bonus</b>
Level RR	\$2,175	\$2,202	\$27	\$2,202	0%
Level 1	2,310	2,337	27	2,406	3%
Level 2	2,640	2,670	30	2,775	4%
Level 3	2,970	3,006	36	3,127	4%
Level 4	3,300	3,339	39	3,507	5%
Level 5	3,960	4,008	48	4,209	5%
Level 6	5,310	5,373	63	5,655	5%

ATTACHMENT 5